

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE
FORM 159

Approved by OMB
3060-0589
Page No. 1 of 2

(1) LOCKBOX # 979093		SPECIAL USE ONLY	
		FCC USE ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) DWT		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$ 1,050.00	
(4) STREET ADDRESS LINE NO. 1 1919 Penn. Ave NW			
(5) STREET ADDRESS LINE NO. 2 Suite 800			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20006
(9) DAYTIME TELEPHONE NUMBER (include area code) 202 973-4200		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004063681		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME IBBS Holdings LLC			
(14) STREET ADDRESS LINE NO. 1 200 Chastain Blvd.			
(15) STREET ADDRESS LINE NO. 2 Suite 200			
(16) CITY Kennesaw		(17) STATE GA	(18) ZIP CODE 30144
(19) DAYTIME TELEPHONE NUMBER (include area code) 770 387-2053		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0023248362		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE. IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$ 1,050.00	(27A) TOTAL FEE \$ 1,050.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>MARLENE E. SHOEMAKER</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>/s/</u>		DATE <u>1/3/14</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MICROCARD <input checked="" type="checkbox"/> VISA <input type="checkbox"/> MEX <input type="checkbox"/> DISCOVER <input type="checkbox"/>			
I hereby authorize the FCC to charge my credit card for the service(s)/authorization herein described.			
SIGNATURE <u>/s/</u>		DATE <u>1/3/14</u>	

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of the Application of

IBBS Holdings, LLC, Transferor,
ALEC, LLC, Licensee

and

MBS Holdings, Inc., Transferee

For Grant of Authority Pursuant to Section 214
of the Communications Act of 1934, as
Amended, and Section 63.04 of the
Commission's Rules to Transfer Control of
ALEC, LLC.

I. INTRODUCTION

A. Summary of Transaction

IBBS Holdings, LLC ("Holdings" or "Transferor"), ALEC, LLC ("ALEC" or "Licensee"), and MBS Holdings, Inc. ("MBS" or "Transferee") (collectively, "Applicants"), by and through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended,¹ and Section 63.04 of the Commission's rules,² respectfully request Commission approval to transfer control of Licensee to Transferee. Licensee is a non-dominant carrier holding blanket domestic 214 authorization from the Commission to provide interstate telecommunications services under Section 63.01 of the Commission's rules.³

¹ 47 U.S.C. § 214.

² 47 C.F.R. § 63.04.

³ 47 C.F.R. § 63.01.

B. Request for Streamlined Processing

Applicants respectfully submit that this application is eligible for presumptive streamlined processing under Section 63.03(b)(1)(ii) of the Commission's rules because the Transferee is not a telecommunications provider.⁴ This Application also is entitled to streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transaction: (a) the Applicants and their affiliates combined will hold less than a ten (10) percent share of the interstate, interexchange market, (b) the Applicants and their affiliates would provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.⁵

II. DESCRIPTION OF THE APPLICANTS

A. Transferor and Licensee

IBBS Holdings, LLC ("Holdings") is a Delaware limited liability company with its principal place of business at 200 Chastain Center Blvd, Suite 200, Kennesaw, GA 30144 USA. Holdings is not a regulated telecommunications entity in any state, and has no subsidiaries, other than ALEC, that are regulated telecommunications entities.

One of Holdings' wholly owned subsidiaries is Integrated Broadband Services, LLC ("IBBS"). IBBS is a Georgia limited liability company with its principal place of business at 200 Chastain Center Blvd, Suite 200, Kennesaw, GA 30144.

ALEC is a Kentucky limited liability company with its principal place of business at 250 W. Main St., Suite 1920, Lexington, KY 40507. ALEC is a wholly owned subsidiary (through several intermediaries) of both Holdings and IBBS. ALEC's current ownership structure is

⁴ 47 C.F.R. § 63.03(b)(1)(ii).

⁵ 47 C.F.R. § 63.03(b)(2)(i).

reflected in the chart attached hereto as **Exhibit 1** and is described in more detail in Section 4(a)(4), below. ALEC is a local exchange carrier, as defined by 47 U.S.C. § 153(32), and is authorized to provide telecommunications services in 19 states.

Through its affiliates, including ALEC, IBBS is a provider of operational support software, back office services, and wholesale voice over Internet protocol (“VoIP”) solutions deployed by cable and broadband operators nationally. IBBS utilizes the telecommunications services and connectivity provided by ALEC to serve its customers. ALEC is Holdings’ only regulated telecommunications carrier affiliate.

B. Transferee

MBS Holdings, Inc. (“MBS”) is a Delaware corporation with its principal place of business at 880 Montclair Rd, Suite 400, Birmingham, Alabama 35242. Through its operating affiliates, MBS provides wholesale VoIP solutions to residential and business customers of cable operators and municipalities, and is also a provider of residential, small business, and enterprise VoIP services, broadband monitoring, provisioning, and managed support services.

III. DESCRIPTION OF THE TRANSACTION

Pursuant to a Membership Interest Purchase Agreement executed on December 30, 2013, MBS and Holdings are planning a transaction in which, among other things, MBS, through a wholly-owned subsidiary (MBS Intermediate Holdings, LLC), will acquire 100% of the outstanding equity of IBBS. As a result of the transaction, ALEC will become an indirect, wholly-owned subsidiary of MBS. ALEC, however, will continue to operate as ALEC, offering the same services at the same rates, terms and conditions as it does currently. There are currently no plans to merge ALEC into MBS’s local exchange carrier affiliate (Momentum Telecom., Inc.). Accordingly, the transaction will be seamless and transparent to ALEC’s customers, who

will continue to receive uninterrupted service from ALEC. A post-transaction organization chart showing the relationship between the Applicants is attached as **Exhibit 2**.

IV. INFORMATION REQUIRED UNDER SECTION 63.04(a)

Applicants submit the following information required under Section 63.04(a) of the Commission's rules in support of their application.⁶

(a)(1) Name, address, and telephone number of each Applicant

Transferor

IBBS Holdings, LLC
200 Chastain Center Blvd, Suite 200,
Kennesaw, GA 30144 USA
(770) 387-2053

FRN: 0023248362

Licensee

ALEC, LLC
250 W. Main St., Suite 1920
Lexington, KY 40507
(859) 721-4224

FRN: 0017091562

Transferee

MBS Holdings, Inc.
880 Montclair Road, Suite 400
Birmingham, Alabama 35242
(205) 978-6035

FRN: 0023247638

(a)(2) The government, state, or territory under the laws of which each corporate or partnership applicant is organized

Transferor

IBBS Holdings, LLC is a limited liability company organized under the laws of Delaware.

Licensee

ALEC, LLC is a limited liability company organized under the laws of Kentucky.

Transferee

MBS Holdings, Inc. is a corporation organized under the laws of Delaware.

⁶ 47 C.F.R. § 63.04.

(a)(3) The name, title, post office address, and telephone number of the officer or contact point, such as legal counsel, to whom correspondence concerning the application is to be addressed.

Transferor and Licensee

Michael C. Sloan
Richard A. Gibbs
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue NW, Suite 800
Washington, DC 20006-3401
Tel: (202) 973-4200
michaelsloan@dwt.com
richardgibbs@dwt.com

Transferee

Bennett L. Ross
Colleen A. King
Wiley Rein LLP
1776 K Street NW
Washington, DC 20006
Tel: (202) 719-7524
bross@wileyrein.com
cking@wileyrein.com

(a)(4) The name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent)

Licensee

- ALEC is a Kentucky limited liability company whose principal business is providing facilities-based local and exchange access services. Its address is 250 W. Main St., Suite 1920, Lexington, KY 40507, telephone (859) 721-4224.
- ALEC is 100% owned (indirectly) by IBBS Holdings, LLC. See Attached **Exhibit 1**.

Transferor

- IBBS Holdings, LLC ("Holdings"). Holdings is a Delaware limited liability company with its principal place of business at 200 Chastain Center Blvd, Suite 200, Kennesaw, GA 30144 USA. Holdings' ownership is as follows:
- Holdings is 13 percent owned by the KPB Family GST Investment Trust ("KPB"). KPB is a trust organized under the laws of North Carolina, whose principal business is in making financial investments. KPB's address is: KPB Family GST Investment Trust c/o Pamlico Capital Fund, 150 N. College Street, Suite 2400, Charlotte, NC 28202 (tel. 704.414.7150). KPB holds a 13% direct interest in IBBS Holdings, which results in a 13% indirect interest in ALEC.

- Holdings is 54 percent owned by Pamlico Capital II, LP ("Pamlico"). Pamlico is a limited partnership organized under the laws of Delaware whose principal business is in making financial investments. Pamlico's address is: Pamlico Capital Fund, 150 N. College Street, Suite 2400, Charlotte, NC 28202 (tel. 704.414.7150).
- Pamlico is 83 percent owned by Wachovia Investors, Inc., which itself is 100% owned (indirectly) by Wells Fargo & Company ("Wells Fargo"). Wells Fargo is a publicly held multinational banking and financial services holding company organized under the laws of Delaware. Its address is 420 Montgomery Street, San Francisco 94104. Through its indirect 83 percent ownership of Pamlico, Wells Fargo indirectly owns 45 percent of Holdings and ALEC. No individual or entity has a 10 percent or greater ownership interest in Wells Fargo.
- No other individual or entity has a 10 percent or greater ownership interest in Holdings or ALEC.

Transferee

- MBS Holdings, Inc. is a Delaware corporation with its principal place of business at 880 Montclair Road, Suite 400, Birmingham, Alabama 35242. The following entities and individuals will have a ten (10) percent or greater direct or indirect ownership interest in the transferee, MBS Holdings, Inc., at the time the proposed transaction is consummated:
- The Estate of William W. Featheringill will own 14.5% of the total preferred equity of MBS Holdings, Inc. Carolyn Featheringill, a US citizen, is the Trustee of the Estate of William W. Featheringill. The address for Carolyn Featheringill is 3211 Pine Ridge Road, Birmingham, AL 35213.
- FIG LLC, an Alabama limited liability company located at 880 Montclair Road, Suite 400, Birmingham, AL 35213, will own 12.4% of the total preferred equity of MBS Holdings, Inc. FIG LLC is controlled by Carolyn Featheringill, a US citizen. The address for Carolyn Featheringill is 3211 Pine Ridge Road, Birmingham, AL 35213.
- Ramsey Management LLC, an Alabama limited liability company located at 3211 Pine Ridge Road, Birmingham, AL 35213, will own 11.8% of the total preferred equity of MBS Holdings, Inc. Ramsey Management LLC is controlled by Carolyn Featheringill, a US citizen. The address for Carolyn Featheringill is 3211 Pine Ridge Road, Birmingham, AL 35213.
- PIG LLC, an Alabama limited liability company located at 13 Peachtree Street, Birmingham, AL 35213, will own 11.1% of the total preferred equity of MBS Holdings, Inc. PIG LLC is controlled by Elizabeth Pharo, a US citizen. The address for Elizabeth Pharo is 13 Peachtree Street, Birmingham, AL 35213.
- No other individual or entity will have a ten (10) percent or greater direct or indirect ownership interest in the transferee, MBS Holdings, Inc., at the time the proposed transaction is consummated

(a)(5) Certification pursuant to §§ 1.2001 through 1.2003 of this chapter that no party to the application is subject to a denial of Federal benefits pursuant to section 5301 Anti-Drug Abuse Act of 1988.

Applicants certify, as evidenced by the signatures in the attached certifications, that no Applicant is subject to a denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998.

(a)(6) A description of the transaction.

Please see a description of the transaction in Section III above.

(a)(7) A description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.

Transferor does not offer domestic telecommunications services. Rather, its affiliates provide interconnected voice over Internet Protocol services ("VoIP"). ALEC, its indirect wholly-owned subsidiaries, offers domestic telecommunications services that enable Holdings' subsidiaries to provide interconnected VoIP services. ALEC offers these services in Alabama, Arkansas, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Nebraska, Nevada, New Jersey, North Carolina, Ohio, South Carolina, Tennessee, Texas.

Transferee's affiliate, Momentum Telecom, Inc., provides residential and business VoIP communications services to both direct subscribers and the wholesale market in Alabama, Arizona, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming. Momentum Telecom, Inc. is not dominant with respect to any

telecommunications service. Momentum Telecom Inc.'s service offerings will not be affected by the proposed transaction.

(a)(8) A statement as to how the application fits into one or more of the presumptive streamlined categories in this section or why it is otherwise appropriate for streamlined treatment.

Applicants respectfully submit that this application is eligible for presumptive streamlined processing under Section 63.03(b)(1)(ii) of the Commission's rules because the Transferee is not a telecommunications provider.⁷ This Application also is entitled to streamlined processing under Section 63.03(b)(2)(i) of the Commission's rules because, immediately following the transaction: (a) the Applicants and their affiliates combined will hold less than a ten (10) percent share of the interstate, interexchange market, (b) the Applicants and their affiliates would provide competitive telephone exchange services exclusively in geographic areas served by a dominant local exchange carrier that is not a party to the transaction, and (c) neither the Applicants nor their affiliates are dominant with respect to any service.⁸

(a)(9) Identification of all other Commission applications related to the same transaction.

Licensee does not hold any authorizations or licenses from the Commission other than the blanket domestic 214 authorization previously identified. Therefore, no other applications are being filed with the Commission with respect to this transaction.

(a)(10) A statement of whether the applicants are requesting special consideration because either party to the transaction is facing imminent business failure.

Not applicable.

⁷ 47 C.F.R. § 63.03(b)(1)(ii).

⁸ 47 C.F.R. § 63.03(b)(2)(i).

(a)(11) Identification of any separately-filed waiver requests being sought in conjunction with the transaction.

Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity, including any additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets.

The proposed transaction is in the public interest. MBS is an excellent partner for IBBS. The synergy between the two companies stems from (i) the similarities in customer bases served, focused on wholesale broadband services providers and consumers, (ii) complementary product and technology offerings, and (iii) the service-focused cultures shared by both companies. MBS's strategic acquisition of IBBS and its ALEC affiliate will enhance both companies' business strategy and position in a highly competitive market and will strengthen their ability to compete against other well-established and well-financed competitors.

The transaction will serve the public interest in promoting competition by resulting in a combined enterprise that can achieve greater economies of scale and scope than would otherwise have been the case. By combining the operations of IBBS with those of MBS, the transaction will enable MBS to respond more rapidly to the needs of consumers and provide consumers with a full portfolio of competitive communications services.

The proposed transaction will not involve a change in the entity – ALEC – actually providing regulated telecommunications services, nor will it change any of the rates, terms or conditions of such service. All existing tariffs, if any, will remain in place. Accordingly, this transaction will be transparent to ALEC's customers, as well as the general public. The transaction also is not expected to involve any changes to ALEC's management or operations.

VI. CONCLUSION

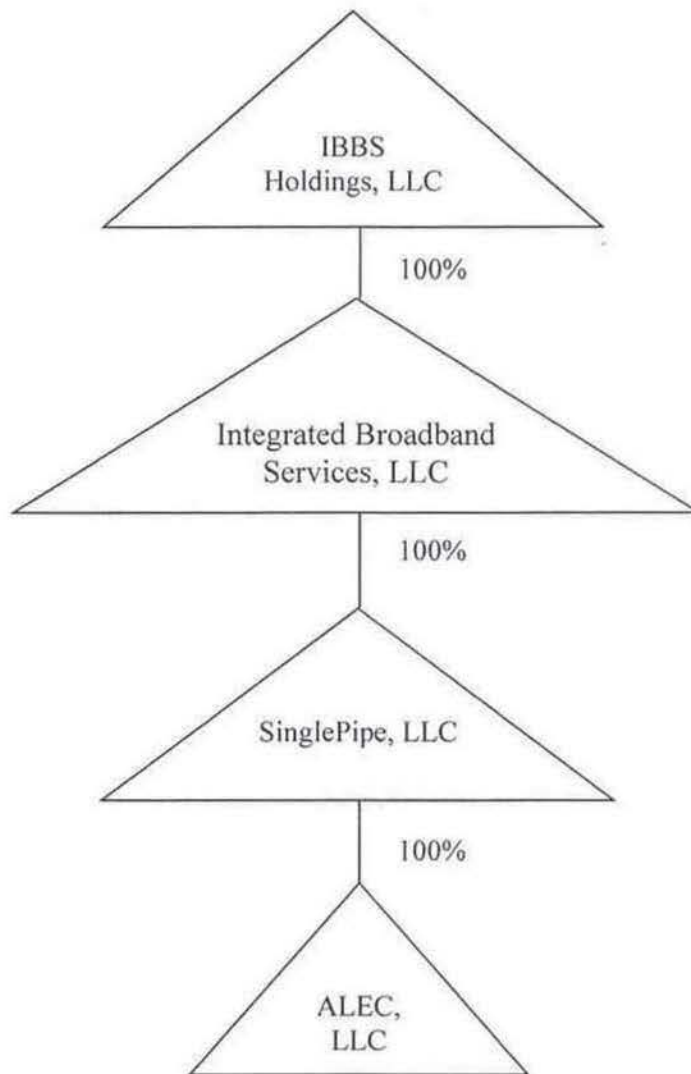
For the reasons stated above, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by a grant of this application for the transfer of control of ALEC to MBS.

Respectfully submitted,

<i>/s/ Michael C. Sloan</i> <hr/> Michael C. Sloan Richard A. Gibbs Legal Counsel Davis Wright Tremaine LLP 1919 Pennsylvania Avenue NW Suite 800 Washington, DC 20006-3401 Tel: (202) 973-4200 michaelsloan@dwt.com richardgibbs@dwt.com IBBS Holdings, LLC, Transferor ALEC, LLC, Licensee	<i>/s/ Bennett Ross</i> <hr/> Bennett L. Ross Colleen A. King Wiley Rein LLP 1776 K Street NW Washington, DC 20006 Tel: (202) 719-7524 bross@wileyrein.com cking@wileyrein.com
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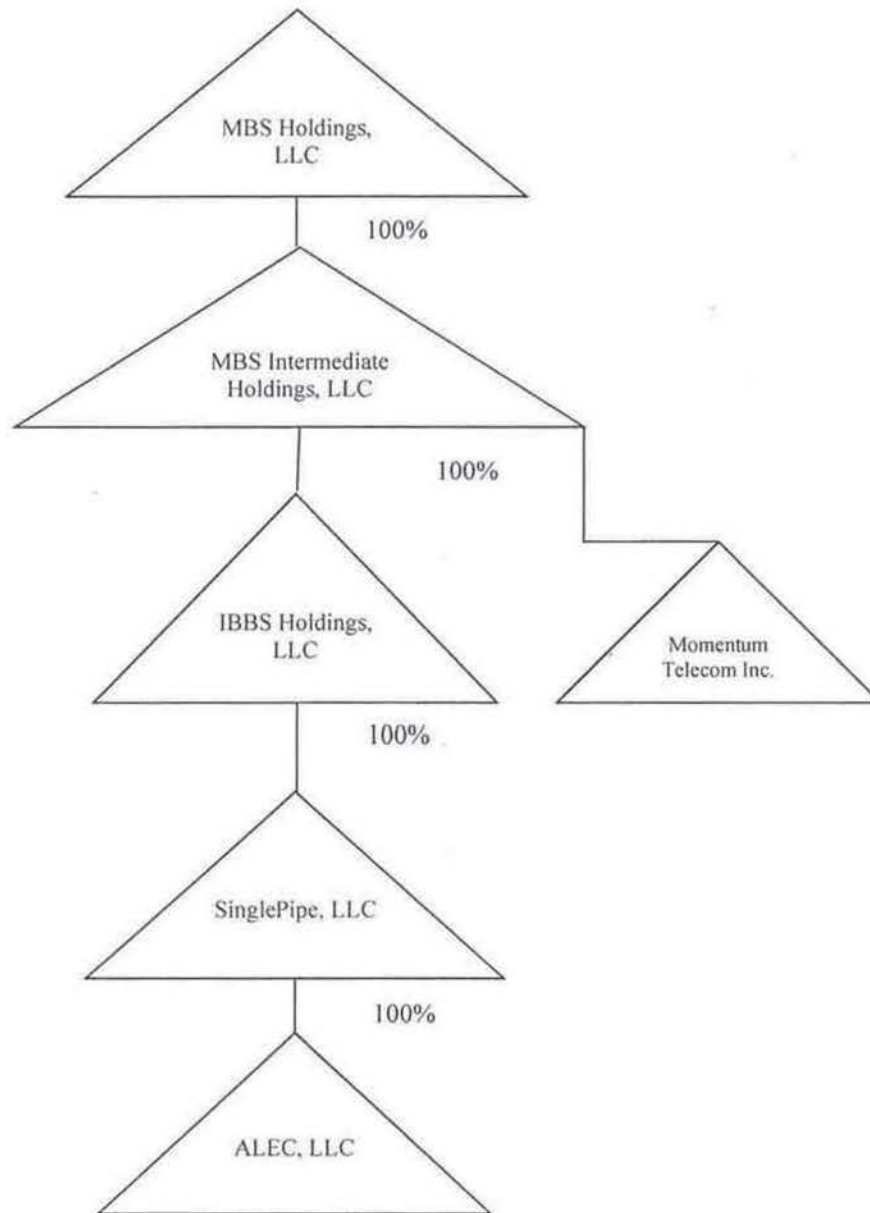
EXHIBITS

Exhibit 1
FCC s. 214 Application
IBBS Structure Chart – Pre-Transaction*



* Affiliates and subsidiaries not relevant to the Commission's review of the transaction are omitted from this chart.

Exhibit 2
FCC s. 214 Application
MBS Holdings, LLC Structure Chart – Post-Transaction*



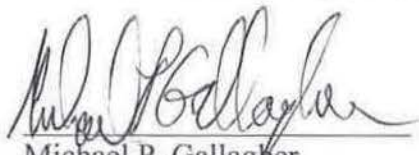
* Affiliates and subsidiaries not relevant to the Commission's review of the transaction are omitted from this chart.

CERTIFICATIONS

CERTIFICATION

I, Michael P. Gallagher, state that I am Chief Executive Officer of IBBS Holdings, LLC and ALEC, LLC that I am authorized to make this certification on behalf of ALEC and IBBS Holdings, and that the contents of the foregoing application with respect to ALEC and IBBS are true and correct to the best of my knowledge, information and belief.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "Michael P. Gallagher", is written over a horizontal line.

Michael P. Gallagher
Chief Executive Officer
IBBS Holdings, LLC

Date: 1-2-14

VERIFICATION

I, William J. Fox, III, am the Chief Executive Officer of MBS Holdings, Inc. The foregoing Application has been prepared pursuant to my direction and control, and I have reviewed its contents. The factual statements and representations made therein by and concerning MBS Holdings, Inc. and its direct and indirect subsidiaries and the transactions described therein are true and correct to the best of my knowledge and belief.



Name: William J. Fox, III
Title: Chief Executive Officer
MBS Holdings, Inc.

County of Jefferson)

State of Alabama)

Subscribed and sworn to before me by this 2nd day of January 2014.



Notary Public

MY COMMISSION EXPIRES APRIL 18, 2015

My Commission Expires: _____